

FOOD PRODUCTION PROGRAM

Exchange of notes at San José February 20 and 27, 1948; supplemental agreement of February 19, 1948

Entered into force February 27, 1948

Modified and extended by agreements of August 27 and October 5, 1948;¹ July 21 and August 18, 1949;² September 18 and November 14, 1950;³ January 10 and 25, 1952;⁴ June 3 and 10, 1952;⁵ and January 18 and February 7, 1955⁶

Expired June 30, 1960

62 Stat. 2045; Treaties and Other
International Acts Series 1772

EXCHANGE OF NOTES

The American Ambassador to the Secretary of State for Foreign Affairs

SAN JOSÉ, COSTA RICA

February 20, 1948

No. 43

EXCELLENCY:

I have the honor to refer to Your Excellency's Note 383-B dated February 17, 1948 in reply to my note No. 31 of February 6, 1948 concerning the possible signature of an agreement supplementing the agreement concerning a cooperative plan of agriculture entered into between the Government of Costa Rica and the Institute of Inter-American Affairs as embodied in the exchange of correspondence between a representative of the Institute and the Secretary of Agriculture on October 14 and 15, 1942,⁷ respectively, as supplemented and modified by the agreements entered into under date of October 19, 1943² and March 8, 1944² by Mariano R. Montealegre, Secretary of State in the Office of Agriculture, representing the Government of Costa Rica, and Mr. Vance Rogers, Chief of Field Party, representing the Institute of Inter-American Affairs.

Your Excellency's note of February 17, 1948 stated that the Ministry of Agriculture was agreeable to entering into a supplemental agreement extending the cooperative program of agriculture in Costa Rica through June 30, 1948, with provision being made for the contribution of additional funds

¹ TIAS 1992, *post*, p. 1100.

² TIAS 1996, *post*, p. 1103.

³ 2 UST 6; TIAS 2172.

⁴ 3 UST 3853; TIAS 2511.

⁵ 3 UST 4394; TIAS 2587.

⁶ 6 UST 2913; TIAS 3336.

⁷ Not printed.

for such program and for the establishing of a special service within the framework of the Government of Costa Rica which would act as a medium through which the program may continue to be carried out. The continuation of the program as proposed would be on the understanding that the Government of Costa Rica would contribute funds in the amount of \$27,500, or the equivalent thereof in Costa Rican colones calculated on the basis of the current official rate of exchange, for use in paying direct expenses of the cooperative program. In addition, the Institute would also contribute additional funds in the amount of approximately \$50,000 for use in paying the salaries and other expenses of the officials and technicians maintained by the Institute in Costa Rica in order to collaborate with the officials of the Costa Rican Government in carrying out the cooperative program.

Since Your Excellency's note indicated that the Ministry of Agriculture was agreeable to the proposed supplemental agreement and had set the date of February 19, 1948 for its signature, Mr. Dillon S. Myer, President of the Institute of Inter-American Affairs, acting in representation of that organization which is a corporate instrumentality of the Government of the United States of America, signed the supplemental agreement with His Excellency, Hernán Zamora Elizondo, Secretary of State in Charge of the Ministry of Agriculture and Industries.

Clause XIX of the supplemental agreement provides that it would become effective as soon as diplomatic notes confirming and accepting it have been exchanged by Your Excellency's Ministry and me. I would therefore be grateful to receive from Your Excellency an indication of the acceptance by the Government of Costa Rica of the supplemental agreement as signed on February 19.

Please accept, Excellency, the renewed assurances of my highest and most distinguished consideration.

NATHANIEL P. DAVIS

His Excellency

Señor don ALVARO BONILLA LARA,
*Secretary of State Encharged with the
Ministry of Foreign Relations,
San José, Costa Rica.*

The Secretary of State for Foreign Affairs to the American Ambassador

[TRANSLATION]

REPUBLIC OF COSTA RICA
MINISTRY OF FOREIGN RELATIONS

SAN JOSE

February 27, 1948

No. 488-B

MR. AMBASSADOR:

With reference to the courteous note of Your Excellency No. 43 of the 20th of the present month, as well as with reference to Note No. 3537 of

the 19th of the current month addressed to this Ministry by the Secretary of State in Charge of the Ministry of Agriculture, I have the honor to notify Your Excellency that in fulfilment of Clause XIX of the Supplementary Agreement of the Institute of Inter-American Affairs, this Government takes pleasure in confirming and accepting the said agreement signed by Mr. Dillon S. Myer, President of the Institute of Inter-American Affairs and Licenciado Hernán Zamora Elizondo, Secretary of State in Charge of the Ministry of Agriculture.

I avail myself of the opportunity to renew to Your Excellency the assurances of my high appreciation and very distinguished consideration.

A. B. L.

Mr. NATHANIEL P. DAVIS

*Ambassador Extraordinary and Plenipotentiary
of the United States of America
City*

SUPPLEMENTAL AGREEMENT

We, Hernán Zamora Elizondo, Secretary of State in charge of the Portfolio of Agriculture and Industries, duly authorized for this act by the President of the Republic, and who will be referred to hereinafter as the "Secretary", and Dillon S. Myer, President of the Institute of Inter-American Affairs, acting in representation of said organization, which is a corporate instrumentality of the government of the United States of America, hereinafter referred to as the "Institute", have celebrated the following Supplemental Agreement the terms of which supplement and modify the cooperative program of agriculture which was jointly undertaken by the government of Costa Rica, hereinafter referred to as the "Government", and the Institute, pursuant to the agreement entered into by the Government and the Institute as embodied in the exchange of correspondence between a representative of the Institute and the Secretary of Agriculture on October 14, and 15, 1942 respectively and which was supplemented and modified by the agreements entered into under date of October 19, 1943 and March 8, 1944 by Mariano R. Montealegre, Secretary of State in the Office of Agriculture, representing the Government, and Vance Rogers, Chief of Field Party, representing the Institute, all said agreements and correspondence hereinafter to be referred to as the "Basic Contract".

CLAUSE I

The parties hereto mutually agree and declare that the Basic Agreement be and hereby is supplemented and modified according to the clauses hereinafter set forth.

CLAUSE II

The Institute shall continue to be represented in Costa Rica by a group of its officials and technicians known as the "Field Party of the Food Supply Division of The Institute of Inter-American Affairs in Costa Rica" and such officials and technicians shall remain under the immediate direction of an Institute official known as the "Chief of Field Party". The Chief of Field Party and other members of the field staff shall be appointed in concurrence with the Secretary. The Government of Costa Rica recognizes the Institute as a corporate instrumentality of the Government of the United States of America and that the Field Party of the Food Supply Division of the Institute in Costa Rica constitutes a division or office of the Institute.

CLAUSE III

For the purpose of providing an instrumentality through which the cooperative program of agriculture will continue to be conducted by the representatives of the two parties to this agreement, the Government of Costa Rica shall create a special service to be known as the *SERVICIO TECNICO INTERAMERICANO DE COOPERACION AGRICOLA* (hereinafter referred to as "STICA") which shall operate as an entity within and subordinate to the Secretariat of Agriculture. STICA shall have the power to execute the cooperative program of agriculture in such manner as may be mutually agreed upon in writing by the Secretary and the Chief of Field Party.

CLAUSE IV

The fields of activity which the cooperative program of agriculture may embrace shall continue to include those activities set forth in the Basic Agreement which shall be carried out, in so far as is possible, jointly with the agricultural program of the Banco Nacional de Costa Rica and with the agricultural training programs of the rural schools and which may include, without being limited to, the following:

- a. Technical assistance in the fields of production, processing, storage and distribution of food products of animal and vegetal origin.
- b. The study of economic problems of production, processing and distribution of foodstuffs, the preparation of reports and studies destined to provide information essential to planning adjustments in the production of crops to domestic consumption requirements.
- c. The development of any acreage through irrigation, drainage, and soil conservation and other practices.
- d. The furnishing of means, tools, equipment, insecticides, seeds, livestock, and other materials through sale, rental or loan, and of professional and technical services to agriculturists.

e. The development of a countrywide agricultural extension service to improve the production of food and to promote the agricultural industry generally, including demonstration of nutrition, diet and home economics.

f. Special assistance to inadequately financed operators of small farms including the providing of equipment for hire at minimum prices.

g. The making available to the Governments of Costa Rica and the United States of America of technical and scientific information and discoveries of interest to agriculturists in either country and the promoting of scientific studies in Costa Rican agricultural economy as requested by and in cooperation with either government.

CLAUSE V

The Government shall appoint as Director of STICA the Chief of Field Party and the Director of STICA shall be responsible for the execution of, and shall have authority to carry out through STICA, the cooperative program of agriculture.

CLAUSE VI

The cooperative program of agriculture in Costa Rica shall continue to consist of individual projects, including those presently being executed in Costa Rica under the direction of the Chief of Field Party under the Basic Agreement. The kind of work and the specific projects to be undertaken and the allocation of the funds and property of STICA therefor shall be embodied in written project agreements, which shall be signed by the Secretary and the Chief of Field Party as such and as Director of STICA. Such projects shall be carried out by the Director of STICA in conformity with policies prescribed jointly by the Secretary and Chief of Field Party.

CLAUSE VII

The Institute shall determine and pay the salaries and other expenses payable directly to, or on account of, members of the Institute Field Party, as well as such other expenses as the Institute may incur in connection with maintaining its Field Party in Costa Rica. The said funds employed by the Institute for such purposes which are estimated at approximately \$50,000 shall be retained by the Institute, it being expressly understood that such funds will not be deposited to the account of STICA.

CLAUSE VIII

The Government shall contribute to STICA the sum of \$27,500 or the equivalent thereof in Costa Rican Colones calculated on the basis of the current official rate of exchange; this sum to be provided by the Consejo Nacional de Producción. Such contribution required to be made by the Government to STICA shall be deposited, before February 29, 1948, in a special bank account in the Banco Nacional de Costa Rica to the account of

STICA and shall be in addition to the regular budget for the Secretariat of Agriculture and in addition to any amounts heretofore made available or agreed to be made available to the Institute by the Government for the cooperative program of agriculture.

Any funds of the Government heretofore or hereafter made available to the Institute for the cooperative program of agriculture in Costa Rica which have not been expended shall be deposited by the Institute to the account of STICA. It is hereby understood and agreed that in the event any of such unexpended funds shall have been obligated by the Institute, STICA shall assume the obligation of making appropriate disbursement of such funds for the purposes for which they were obligated by the Institute. All funds which the Government agreed pursuant to or in connection with the Basic Agreement to make available to the Institute for the cooperative program of agriculture shall be made available to STICA in the same manner and under the same conditions with respect to which those funds were to be paid to the Institute.

CLAUSE IX

All funds mentioned in this agreement, that is, of the Government, of the Institute and of STICA, shall continue to be available for the said cooperative program of agriculture during the term of this agreement without regard to annual periods or fiscal years of any of the parties.

Interest, if any, on the funds of STICA, and any income which shall accrue to the account of STICA as a result of normal project operations, or through the liquidation of projects, or from whatever source, will continue to be available to STICA for the promotion of those projects from which the income has accrued, or by mutual agreement between the Secretary, the Chief of Field Party and the Director of STICA, may be apportioned to other projects of STICA. Any funds and property acquired by STICA which may be unexpended or unused and unobligated at the termination of the period comprehended by this supplemental agreement will remain the property of the Government and continue to be used for the purposes of the cooperative program of agriculture in such manner as may be mutually agreed upon in writing by the Secretary and the Chief of Field Party.

Contributions, in addition to those referred to in Clause VIII hereof, may be received by the STICA from any source whatsoever and may be expended by it in the same manner as other funds, for the uses and objectives of the cooperative program of agriculture, provided that the receipt of any such additional contribution to STICA has been agreed to in advance by the Secretary and the Chief of Field Party.

CLAUSE X

The Government will, in addition to the funds required to be contributed by it to the cooperative agricultural program pursuant to this Supplemental

Agreement, make available such personnel, office space, facilities, equipment and materials as the Government may consider feasible and desirable for the development of the program.

CLAUSE XI

In view of the fact that purchases of materials, supplies and equipment and other disbursements relating to the execution of the cooperative program of agriculture may be made in the United States of America, STICA may turn over to the Institute for such purchases such amounts as may be mutually agreed upon between the Secretary and the Chief of Field Party and where it is necessary to convert Costa Rican Colones into dollars in connection with the cooperative program of agriculture in Costa Rica, the Colones shall be converted into dollars at the current official rate of exchange and shall be exempt from Costa Rican taxes, service charges, investment or deposit requirements, and other currency controls. Any funds of STICA paid to the Institute for such purchases in the United States of America and not expended or obligated therefor shall be deposited in STICA bank account at any time upon mutual agreement of the Secretary and the Chief of Field Party.

CLAUSE XII

All contracts necessary to carry out the terms of the projects, mutually agreed upon as herein provided, shall be in the name of STICA and shall be signed by the Secretary and the Director of STICA. Personnel of STICA shall be employed and discharged by the Director of STICA who shall be the final judge of their qualifications, all in accordance with general policies agreed to beforehand by the Director of STICA and the Secretary. The general policies and procedures for the execution of the cooperative program of agriculture and for the disbursement and accounting of funds, for the purchase, use, inventory, control and disposition of property and any other administrative matters, shall be determined or established by mutual agreement between the Secretary and the Chief of Field Party. Disbursements from the Bank account of STICA shall be made by the Director of STICA. The books and records of STICA relating to the said cooperative program of agriculture shall be open at all times for inspection by the representatives of the Government and the Institute and the Director of STICA shall render financial reports to the Government and to the Institute at such intervals as may be agreed upon between the Secretary and the Chief of Field Party.

CLAUSE XIII

All property presently owned by the Institute and used or available for use in Costa Rica in carrying out the cooperative program of agriculture may be made available to STICA for such program on a loan or rental basis or by sale provided that all of such property which is owned by the Institute on

the expiration date of this Supplemental Agreement shall be disposed of by the Institute in the manner determined by the Chief of Party. This paragraph shall not be construed to relieve the Government from its obligation under the Basic Agreement to reimburse the Institute for the appraised value of the corn dryer located at Guácimo as provided in the Basic Agreement.

CLAUSE XIV

All employees of the Institute in Costa Rica who are citizens of the United States of America and are engaged in carrying out the objectives of the cooperative program of agriculture shall be exempt in Costa Rica from all income taxes and Social Security taxes with respect to income on which they are obligated to pay income or Social Security taxes to the Government of the United States of America and from property taxes on personal property intended for their own use. Such employees and members of their families who reside with them in Costa Rica shall be exempted, also, from payment of customs or other taxes on their effects, exclusively personal, and equipment and supplies imported or exported for their own exclusive use.

CLAUSE XV

All rights and privileges which are enjoyed by similar governmental and official divisions or agencies of the Government shall accrue to STICA. Such rights and privileges shall include, for example, free postal and telegraph services, special government rates made by transportation companies and also, freedom and immunity from stamp, property, income and all other taxes as well as from consular charges and customs duties upon imports for the use of STICA in the cooperative program of agriculture. The Institute shall enjoy the same rights, exemptions and immunities with respect to its acts and property relating to the cooperative program of agriculture.

CLAUSE XVI

All materials, equipment and supplies purchased with funds of STICA shall become and remain the property of the Government and shall be devoted solely to the cooperative program of agriculture in Costa Rica.

CLAUSE XVII

Any rights, powers, or duties conferred by this Supplemental Agreement upon either the Secretary, the Chief of Field Party or the Director of STICA may be delegated by the recipient thereof to representatives in writing, provided that such representatives are satisfactory to the other parties. Regardless of the naming of said representatives, the Secretary and the Chief of Field Party shall have the right to refer any matter directly to one another for discussion and decision.

CLAUSE XVIII

The Executive Power of the Republic of Costa Rica will take the necessary steps to obtain the legislation, decrees, orders or resolutions necessary to carry out the terms of this Supplemental Agreement.

CLAUSE XIX

The Basic Agreement shall remain in full force and effect for the period covered by this Supplemental Agreement except as the Basic Agreement is contrary to or is inconsistent with this Supplemental Agreement. This Supplemental Agreement shall terminate on June 30, 1948.

This Supplemental Agreement shall become effective as soon as diplomatic notes confirming and accepting this Supplemental Agreement have been exchanged between the Minister of Foreign Affairs of the Government of Costa Rica and the Ambassador of the United States of America to Costa Rica.

IN WITNESS THEREOF, the parties hereto have caused this Supplemental Agreement to be executed by their duly authorized representatives, in duplicate, in the English and Spanish languages, in the City of San José, Costa Rica on this nineteenth day of February 1948.

For the Institute of Inter-American Affairs
DILLON S. MYER

For the Government of Costa Rica
HERNÁN ZAMORA E